CULTURAL INTEGRATION: A STUDY ON AMALGAMATION OF SELECTED PUBLIC SECTOR BANKS

SHORT SYNOPSIS

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by

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Certificate

I hereby declare that the short synopsis "Cultural Integration: A Study On Amalgamation Of Selected Public Sector Banks" is being submitted in partial fulfillment of the requirement for the degree of Doctor of Philosophy in management under faculty of management of Manav Rachna International Institute of Research & Studies, Faridabad during the academic year 2021-22.

It is a bonafide record of original work carried out under the supervision of Dr. Deepti Dabas Hazarika and joint Supervision of Dr Asha Bhandarkar and has not been submitted in full or part to any other university or institute for degree or diploma. Further, it is certified that short synopsis is plagiarism free and proof has been submitted.

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ABSTRACT

Banking sector plays a crucial role in the economic development of a country. Banks provide effective financial intermediation by channelising the savings of one segment of the population towards financing the needs of entrepreneurs for productive investment and also consumer loans. The Indian Banking sector has seen setting up of a large number of banks but due to smaller balance sheet size of these banks, as compared to other global banks, their ability to support economic growth has been limited. Technological upgradations, financial prowess, geographical spread, gaining competitive advantage have been some of the compelling reasons for bank mergers in India. The research studies on bank mergers have primarily focussed on evaluating their effectiveness through measuring the improvement in efficiency parameters, financial ratios and market value of equity of the merging and merged entities. This proposed cross-sectional research would study the process, actions and initiatives taken for cultural integration in selected public sector banks merged between 2017 to 2021, along with issues faced and determining the current gaps in integration between these organisations. Also, recommendations for policy and decision makers would be made suggesting standard procedures to be followed during mergers, in future, for smoother and improved cultural integration between the merged entities.

Keywords: merger, amalgamation, cultural integration, public sector bank, financial system, work culture, tenets of cultural integration, leadership

Table of Contents

1	**Introduction**	5-15
1.1	Evolution of Banking in India	5
1.2	Nationalisation of Banks	5-7
1.3	Banking in the Liberalization Regime	7-13
1.4	Cultural Integration in Banks	14
1.5	Operational Definitions	14-15
2	**Literature Review (Including Research GAP)**	16-18
2.1	Structural transformation in Banking	16
2.2	Impact of Mergers/ Amalgamation in Banks	16-17
2.3	Theoretical Perspectives	17
2.4	Tenets of Cultural Integration	17-18
2.5	Research Gap	18
2.6	Research Questions	18
3	**Description of Topic**	19
4	**Objectives of the Study**	20
5	**Research Methodology**	21-22
5.1	Research Design	21
5.2	Sampling Frame	21
5.3	Method of Data Collection	21
5.4	Sampling Units and Criterion of Selection	21-22
5.5	Analysis of Data	22
6	**Proposed Outcome of the Study**	23
	References	24-25

1. INTRODUCTION

1.1 Evolution of Banking in India

India witnessed the origination of Modern banking in the last decade of the 18th century. Bank of Hindustan established in 1770 was liquidated in 1829–32. The General Bank of India was established in 1786 but failed in 1791.

The only bank founded by presidency government which is still in existence is the State Bank of India (SBI). It started as the Bank of Calcutta in 1806 and was renamed as the Bank of Bengal. The other two constituents were the Bank of Bombay established in 1840 and the Bank of Madras in 1843. These three banks were merged in 1921 as the Imperial Bank of India, which became the State Bank of India post- independence in 1955.

The Reserve Bank of India, India's central banking authority, was established in April 1935, but was nationalized on 1 January 1949 under the terms of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948 (RBI, 2005b).

In 1949, the Banking Regulation Act was enacted, which empowered the Reserve Bank of India (RBI) to regulate, control, and inspect the banks in India.

The Banking Regulation Act also provided that no new bank or branch of an existing bank could be opened without a license from the RBI, and no two banks could have common directors.

Post-independence, the merger of banks in India began around the 1960s. India has primarily seen mergers through regulatory directions and market driven mergers have been very few, if any (Jayadev & Sensarma, 2007). As many as 46 mergers took place during the pre-nationalization period (1961-69) to revive weaker banks. This move proved to be successful since the performance of banks improved post mergers.

1.2 Nationalisation of Banks

Indian banking industry was largely in private hands, post-independence, working under the regulatory control of Reserve Bank of India. The first nationalisation of a private bank (Imperial Bank of India) was done through the State Bank of India Act in 1955.

By the 1960s, the Indian banking industry had developed into a significant catalyst for development of the Indian economy along with emerging as a large employer, though a general perception existed that Banks could do much more towards supporting the Government policies in poverty alleviation.

The Government of India nationalized the 14 largest commercial banks with effect from 19July1969, initially through an ordinance and thereafter regularised through the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. These 14 banks together held nearly 85 percent of bank deposits in the country. The list of banks nationalized in 1969 is as under:

1.Allahabad Bank	8.Bank of Baroda
2.Central Bank of India	9.Canara Bank
3.Indian Overseas Bank	10.Punjab National Bank
4.Union Bank of India	11.United Bank of India
5.Bank of India	12.Bank of Maharashtra
6.Dena Bank	13.Indian Bank
7.Syndicate Bank	14.UCO Bank

Source: RBI Publication- Evolution of Banking in India (4 September 2008)

The nation witnessed another round of nationalization of six more commercial banks through the Banking Companies (Acquisition and Transfer of Undertakings) Act 1980 as under:

1.Punjab and Sind Bank

2. Andhra Bank

3.Oriental Bank of Commerce

4.Vijaya Bank

5.New Bank of India

6.Corporation Bank

Source: RBI Publication- Evolution of Banking in India (4, September 2008)

State Bank of India Group

The State Bank of India, along with its associates, continued to be a prominent player in the banking space in India.

The State Bank Group consisted of the following banks:

1.State Bank of Saurashtra

2.State Bank of Travancore

3.State Bank of Hyderabad

4. State Bank of Patiala

5.State Bank of Indore

6.State Bank of Bikaner and Jaipur

7.State Bank of Mysore

1.3 Banking in the Liberalization Regime

In the early 1990s, the government initiated a policy of economic and regulatory liberalisation, one of the steps among which was setting up of Narasimhan Committees (1991 & 1998) pertaining to financial sector reforms. Amongst other recommendations, it suggested developing a three-tier structure of banks in India consisting of few banks with international presence, 5 or 6 large banks with national presence and a large number of regional banks, in order to grow a healthy ecosystem of financial intermediation in the country. The imminent challenges such as probable convertibility of Indian Rupee, Basel reforms, financial inclusion and technological upgradations provided further impetus for the amalgamations in the banking sector.

A number of private sector banks were licensed to be set up – commonly referred as New Generation tech-savvy banks – these included

i. Global Trust Bank (later amalgamated into Oriental Bank of Commerce on 14August2004)
ii. IndusInd Bank
iii. UTI Bank (since renamed as Axis Bank)
iv. ICICI Bank
v. Times Bank (later merged with HDFC Bank on 26February 2000)

vi. Centurion Bank (later merged with Bank of Punjab on 29June2005 to form Centurion Bank of Punjab)
vii. Centurion Bank of Punjab (later merged with HDFC Bank on 23May2008)
viii. HDFC Bank

This move revitalised the banking industry, with all the banks, namely public sector, private sector/ and foreign sector banks competing and contributing towards the growth of the economy.

The Public Sector Banks (PSBs) are considered as the mainstay of the Indian financial ecosystem and are critical in unlocking investment needed for development of the Indian Economy. The amalgamation process in PSBs started with merger of New Bank of India into Punjab National Bank in 1993. Subsequently, State Bank of India merged its seven associate banks in three tranches between 2008 and 2017. This was followed by the merger of Vijaya Bank and Dena Bank into Bank of Baroda with effect from 01April2019.

With the aim of further developing financially strong PSBs in India that are globally competitive, the Hon'ble Finance Minister announced creation of 4 large sized Banks by amalgamation of 10 public sector banks on 30th August 2019 (Economic Times, 2019), thereby reducing the total number of PSBs to 12. This strategic mega amalgamation is expected to create value for all the stakeholders and strengthen financial ecosystem for achieving sustained economic growth. A tabular representation of the groups of banks amalgamated and their financial ratios along with consolidated business is given below:

Figure 1: Business Financials (as on Mar'2019) of individual banks as well as amalgamated entity- Punjab National Bank, e-Oriental Bank of Commerce and e-United Bank of India.

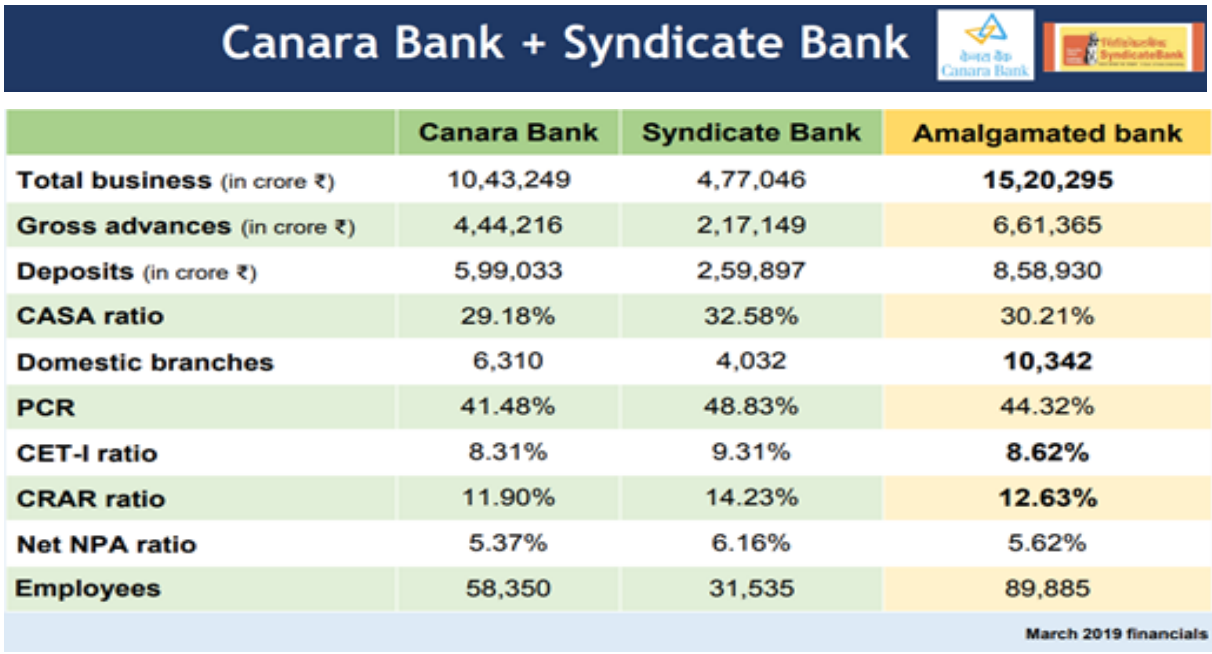
PNB + Oriental Bank of Commerce + United Bank

	PNB	OBC	United Bank of India	Amalgamated bank
Total business (in crore ₹)	11,82,224	4,04,194	2,08,106	**17,94,526**
Gross advances (in crore ₹)	5,06,194	1,71,549	73,123	7,50,867
Deposits (in crore ₹)	6,76,030	2,32,645	1,34,983	10,43,659
CASA ratio	42.16%	29.40%	**51.45%**	**40.52%**
Domestic branches	6,992	2,390	2,055	**11,437**
PCR	61.72%	56.53%	51.17%	59.59%
CET-I ratio	6.21%	9.86%	10.14%	**7.46%**
CRAR ratio	9.73%	12.73%	13.00%	10.77%
Net NPA ratio	6.55%	5.93%	8.67%	6.61%
Employees	65,116	21,729	13,804	1,00,649

March 2019 financials

Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank (PNB), making PNB as the second largest public sector bank with a total business of Rs. 17.95 lakh Crore and an employee strength of more than 1 lakh.

Figure 2: Business Financials (as on Mar'2019) of individual banks as well as amalgamated entity- Canara Bank and e-Syndicate Bank.



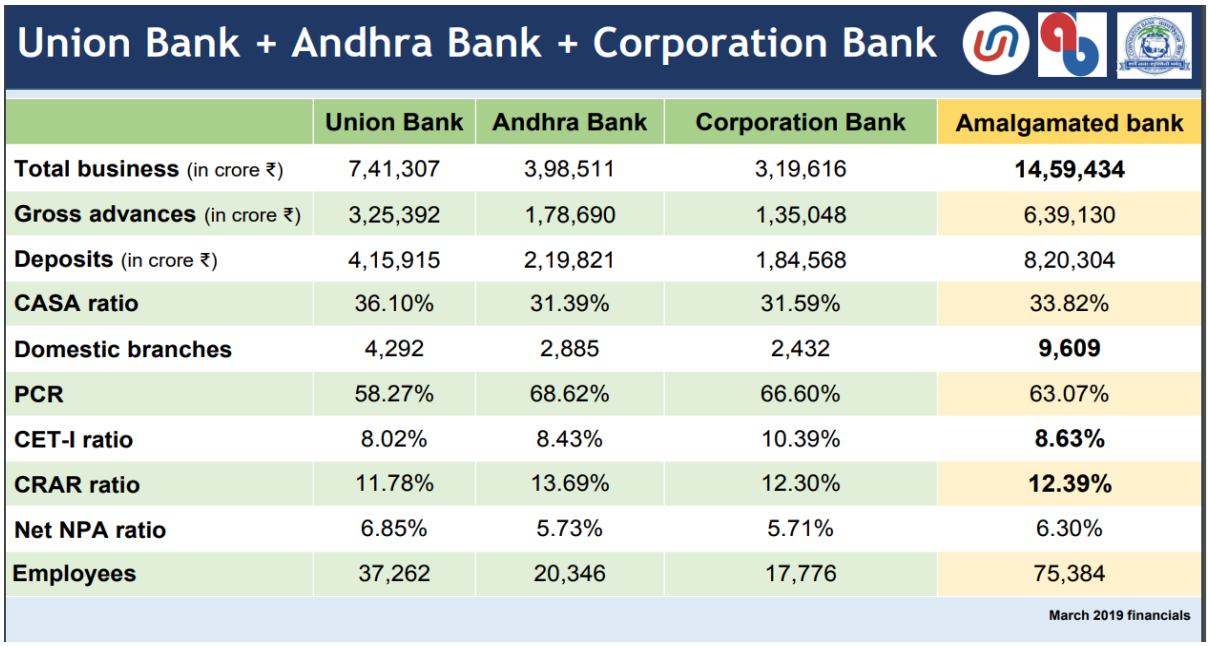
Canara Bank + Syndicate Bank

	Canara Bank	Syndicate Bank	Amalgamated bank
Total business (in crore ₹)	10,43,249	4,77,046	**15,20,295**
Gross advances (in crore ₹)	4,44,216	2,17,149	6,61,365
Deposits (in crore ₹)	5,99,033	2,59,897	8,58,930
CASA ratio	29.18%	32.58%	30.21%
Domestic branches	6,310	4,032	**10,342**
PCR	41.48%	48.83%	44.32%
CET-I ratio	8.31%	9.31%	**8.62%**
CRAR ratio	11.90%	14.23%	**12.63%**
Net NPA ratio	5.37%	6.16%	5.62%
Employees	58,350	31,535	89,885

March 2019 financials

The amalgamation of Syndicate Bank into Canara Bank has resulted into a pan India bank with specific strong presence in South India.

Figure 3: Business Financials (as on Mar'2019) of individual banks as well as amalgamated entity- Union Bank of India, e-Andhra Bank and e-Corporation Bank.



Union Bank + Andhra Bank + Corporation Bank

	Union Bank	Andhra Bank	Corporation Bank	Amalgamated bank
Total business (in crore ₹)	7,41,307	3,98,511	3,19,616	**14,59,434**
Gross advances (in crore ₹)	3,25,392	1,78,690	1,35,048	6,39,130
Deposits (in crore ₹)	4,15,915	2,19,821	1,84,568	8,20,304
CASA ratio	36.10%	31.39%	31.59%	33.82%
Domestic branches	4,292	2,885	2,432	**9,609**
PCR	58.27%	68.62%	66.60%	63.07%
CET-I ratio	8.02%	8.43%	10.39%	**8.63%**
CRAR ratio	11.78%	13.69%	12.30%	**12.39%**
Net NPA ratio	6.85%	5.73%	5.71%	6.30%
Employees	37,262	20,346	17,776	75,384

March 2019 financials

The Amalgamation of Andhra Bank and Corporation Bank has provided a strong presence in south India to Union Bank of India, in addition to its existing strength in western India.

Figure 4: Business Financials (as on Mar'2019) of individual banks as well as amalgamated entity- Indian Bank and e-Allahabad Bank.

Indian Bank + Allahabad Bank

	Indian Bank	Allahabad Bank	Amalgamated bank
Total business (in crore ₹)	4,29,972	3,77,887	**8,07,859**
Gross advances (in crore ₹)	1,87,896	1,63,552	3,51,448
Deposits (in crore ₹)	2,42,076	2,14,335	4,56,411
CASA ratio	34.71%	**49.49%**	**41.65%**
Domestic branches	2,875	3,229	6,104
PCR	49.13%	74.15%	66.21%
CET-I ratio	10.96%	9.65%	**10.36%**
CRAR ratio	13.21%	12.51%	**12.89%**
Net NPA ratio	3.75%	5.22%	**4.39%**
Employees	19,604	23,210	42,814

March 2019 financials

Allahabad Bank, with its large presence in eastern and northern India, on amalgamation has enabled Indian Bank to become truly pan India Bank.

Figure 5: Business Financials of individual banks as well as amalgamated entity- Bank of Baroda, e-Vijaya Bank and eDena Bank.

Bank of Baroda + Vijaya Bank+ Dena Bank

	Bank of Baroda	Vijaya Bank	Dena Bank	Amalgamated entity
Total business (in crore ₹)	1029810	279575	172940	1482325
Gross Advances (in crore ₹)	448330	122350	69920	640600
Deposits (in crore₹)	518485	157325	103020	841830
CASA Ratio	35.52%	24.91%	39.80%	34.06%
Domestic Branches	5502	2130	1858	9490
CET- I ratio	9.27%	10.35%	8.15%	9.32%
CRAR ratio	12.13%	13.91%	10.00%	12.25%
Net NPA ratio	5.40%	4.10%	11.04%	5.71%
Employees	56360	15875	13440	85675

The amalgamation of Vijaya Bank and Dena Bank into Bank of Baroda became effective from 01April2019. This was the first time that two public sector banks were amalgamated simultaneously into another public sector bank, and paved the way for mega consolidation of 10 other public sector banks into 4 public sector banks, effective from 01April2020, as discussed above in Figures 1 – 4. The strategy has changed the dynamics of the banking industry in terms of financial prowess, domestic and international presence, technological up gradations and customer offerings.

PSBs continue to hold major market share of business in the country, and the total assets of the merged PSBs account for about 82% of all the PSBs. Hence, the success of the amalgamation processes, initiated by the government, is a pre-requisite for supporting the growth of the Indian economy and achieving the aspirations of USD 5 trillion GDP by 2024-2025 and USD 10 trillion by 2030 (Federation of Indian Chambers of Commerce and Industry, 2018).

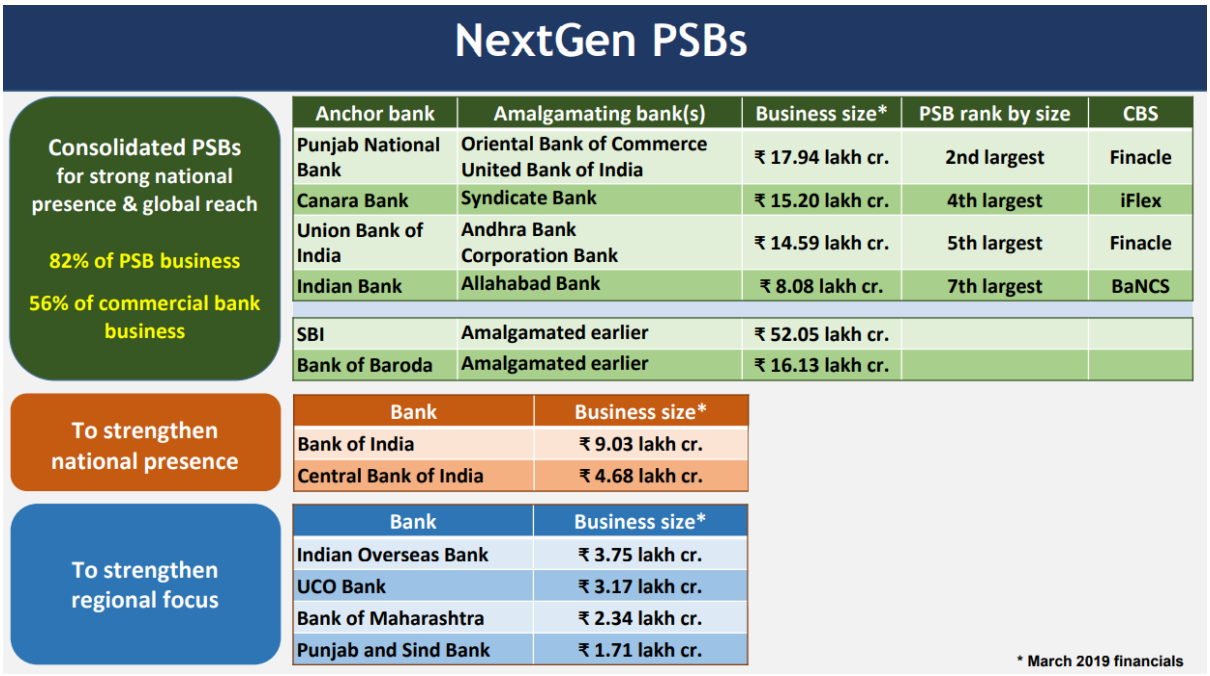


Figure 6: Overview of Amalgamated Banks

1.4 Cultural Integration in Banks

This research aims to study the key initiatives and challenges faced by the merging banks during the amalgamation process with specific focus on developing an integrated culture of the merged entity.

The amalgamations of banks are expected to provide the required thrust to the Indian economy and also to simultaneously improve customer service, through economies of scale, technological improvements and wider geographical outreach. However, the challenges of change management during the initial period of transition before reaching stabilisation need to be overcome before such expectations can be realised. We focus here on the cultural integration aspects of the PSBs; as banks are part of the service industry, harmonizing human resources is the foremost challenge of these bank mergers. Further, this has been a relatively less studied area in the Indian PSBs' merger context.

The legal merger of the banks may be relatively simple but the actual integration of people and culture is a long drawn complex process that needs proactive leadership. The employees of constituent banks may go through the anxieties and uncertainties caused by changes in guidelines, policies, designation, inter-se seniority, transfers, postings, different working styles, career related issues and cultural differences between constituent banks. Ignoring these human resource issues can adversely impact morale, productivity, and may tempt key talent to seek other opportunities thus, impeding the goals of amalgamation.

1.5 Operational Definitions: The specific terminology used in the document have been defined for understanding the usage in reference to the research.

1) Acquiring Bank: Refer 'Transferee Bank'
2) Anchor Bank: Refer 'Transferee Bank'
3) Amalgamation: Refer 'Merger' – in the Public Sector Bank context, the words amalgamation and merger have been used interchangeably
4) Change Management: Methods and manners in which a company describes and implements change. Change management is a collective term for all approaches to prepare, support, and help individuals, teams, and organizations in making organizational change.
5) Cultural Integration in Work Settings: Cultural integration in this paper focuses on workplace settings that makes it easier for everyone to work together. This

integration helps to close the gap between worker's cultures, who come together after the merger of organisations. It benefits a company's brand by creating an environment of workplace diversity, while developing common interests and approaches for organisational progress.

6) Merger: a fusion of two or more companies into one.
7) Merging Bank: Refer ‘Transferor Bank’
8) Public Sector Bank (PSB): is a Bank where the majority stake (i.e. more than 50%) is held by the Government of India.
9) Top Management: Top management is responsible for making strategic organization-wide decisions and establishing the plans, processes and goals that drive the entire organization. In Public Sector Banks context, Top Management refers to officials in the designation of Deputy General Manager and above (refer ‘Top-Down Hierarchy of employees in PSB’.
10) Transferee Bank: is the bank into which the merging Bank seeks to transfer all or part of its assets, liabilities and legal rights. In the process of merger, a Transferee Bank is one in which the Transferor Bank gets merged.

    Transferor Bank: Transferor Bank means the Bank seeking to transfer or assign all or part of its rights, benefits and obligations hereunder

2. LITERATURE REVIEW (INCLUDING RESEARCH GAP)

Literature Review is a detailed review of existing research done on a specific topic. This section is intended to provide a general view of existing knowledge and to set a context for the research. It presents the current understanding and findings of a certain topic and is a secondary source of information.

2.1 Structural transformation in banking

Banking system in India since independence has been undergoing structural transformation in terms of various reforms, regulatory measures and policies and increased competition within the financial systems in the country. Since the nationalisation of major banks in 1969, the Public Sector Banks (PSB) characterised by government ownership, led the financial development in the economy with focus on rural banking and priority sector lending. However, post 1991, the focus on reforms in the financial sector with entry of new generation private and foreign sector banks led to increased competition and mergers of banks including Public Sector Banks.

2.2 Impact of Mergers/ Amalgamation in Banks

This research attempts to understand the change that the PSB landscape has been undergoing with an emphasis to understand the success of the phenomenon of banks mergers and amalgamation. While the macro environment in these changes can be seen from a systems philosophy and a political philosophy, the changes within the organisation can be examined with an evolutionary perspective (Gratz & Smith, 2010).

Within an organisation the managers are seen as the primary drivers of change. However, the literature on organisational change displays conflict of 'the significance of human agency as a source of change versus environmental cognitive and resource constraints for driving the change' (Fernandez & Rainey, 2006) and advocates change leaders to pay specific attention to 8 factors of change. As this research seeks to study the phenomenon of mergers in PSBs, the effectiveness of integration is seen as an important element. Lakshman (2011) argues that measuring the effectiveness of integration as a variable dependent on the causative factors of leadership, knowledge transfer, interpersonal relationships under an overall HR led integration process, had not received much emphasis in the previous mergers and acquisitions literature. Further large body of literature shows emphasis on the study of resistance to change (Dennis, Ervin & Garman, 2010) and examines the cognitive, affective and behavioural dimensions of resistance to change. Gratez & Smith (2010) argue the cultural perspective examines the

collective experience and shared values in the change process; it is perceived that these would play an important role in successful mergers of the entities. It is observed in studies that cultural differences are negatively correlated with effectiveness of the merger (Weber, 1996). This implies that merging entities with similar culture are more likely to succeed than those with disparate cultures.

2.3 Theoretical Perspectives

The Social Identity theory (Tajfell & Turner, 1986) defines the differences in terms of an ingroup to which the individual belongs. This difference would not only be in terms of the merged individual banks but also between the management and the staff in the individual bank. Hence, studying the role of the dominant merging partner and understand the relations between the top management and the lower employees would be critical (Steffen, Tendayi, Sabine, J. Terry, & Susanne, 2006).

While some cultural compatibility may seem to be present in the mergers of public sector banks due to common dominant shareholder; cultural differences would emerge due to differences in management style, work related values, geographical location and relative size of the bank. These cultural differences can be assessed at the organisational level. Relatedness and relative size could be examined as variables impacting the process of integration (Stahl & Voigt, 2003).

Hofstede cultural distance index is usually used to measure national cultural differences (Hofstede, 2002). Here the measures of cultural differences can be associated with management style and work-related values (Steffen, Tendayi, Sabine, J. Terry, & Susanne, 2006)

2.4 Tenets of Cultural Integration

The tenets of cultural integration, while considering the amalgamation of business organisations, can be broadly classified into attributes related to :

- Focus towards Business and
- Focus towards People.

The attributes under each of the above focus, would be:

a) Focus towards Business:

- Meritocracy – whether the organisation emphasises on performance driven culture
- Achievement Orientation – the balance between achieving ‘ends’ and ‘means’
- Trust and Openness – of communication between the employees and management

b) Focus towards People:

- Equality - of opportunity, treatment and career growth to all employees

- Team work - encouraging team collaboration for achieving timelines of deliverables
- Learning and Development – for enhancing the knowledge and skills of each employee through appropriate investments

2.5 Research Gaps

A review of literature on the studies on mergers on PSBs show that mostly dimensions of success of mergers has been examined in terms of financial performance of the banks pre- and post-merger (Patel, 2018). The focus of academic studies has primarily been on two issues – first in terms of assessing the impact of mergers on operating efficiency in terms of financial ratios and second assessing the success in terms of increase in market price gains of the equity of the merging and merged banks (Jayadev & Sensarma, 2007). Thus, post-merger cultural integrations in public sector banks are a largely unexplored area in research. I therefore propose to focus my research in understanding the elements of successful merger in PSBs with a lens of cultural integration through studies of recent mergers of PSBs.

2.6 Research Question

1) What are the aspects of culture in an organization?

2) What are the challenges faced in cultural integration during an amalgamation?

3) What are various initiatives taken by organizations to ensure smooth cultural integration during and post amalgamation?

4) Does Management perspective differ from employee perspective about cultural integration?

3. DESCRIPTION OF TOPIC

The Indian economy with a GDP of USD 2.651 trillion was ranked 5th by IMF, on nominal GDP basis during 2019. The Government of India has shared an aspiration of becoming a USD 5 trillion economy by financial year 2024-2025 and a USD 10 trillion economy by 2030. In order to achieve these aspirations, the support from the banking industry is a pre-requisite through large scale lending for setting up capital intensive infrastructural projects and manufacturing industries along with simultaneous retail loans to an extensive number of individuals who would ensure adequate demand for the supply of goods and services.

The Public Sector Banks had the largest market share both in terms of Deposits and Advances at 77.22% and 75.74% at end of March 2014 (Gandhi, 2015). However, it was noticed that the financial strength to support the economic growth of the country by the public sector banks was relatively less as determined by their rankings amongst the world's largest financial institutions. As per the Forbes ranking of world's largest banks in 2016 (Gara, 2016), the top 2 spots were taken by China (9 banks), US (4 banks), Canada, Japan and Australia (2 banks each) with UK, Spain, Swizterland, France and Netherlands (1 bank each). India's largest bank viz State Bank of India was placed at 232nd rank.

The inorganic growth through amalgamation of public sector banks had already been recommended by the Narasimham Committee I and II (1991 and 1998). Thus, to achieve the desired economic growth for the country, the action plan of amalgamation of public sector banks was put into implementation.

Traditionally, the focus of researchers for determining successful amalgamations is through analysis of measurable performance parameters. However, the tangible success (measured through financial parameters) is dependent on the intangible parameter of a smooth cultural integration of the amalgamating entities – the reorientation and integration of staff from each amalgamating bank into a cohesive team is essential for maximising synergy benefits from amalgamation. This research would be studying the process and initiatives towards developing an integrated culture of the amalgamated entity.

4. OBJECTIVES OF THE STUDY

The following are the objectives of the research study:

1) To ascertain the aspects of cultural change in mergers and amalgamations
2) To ascertain the initiatives taken by the Top Management of amalgamating Public Sector Banks, for bringing about smooth cultural integration.
3) To compare the perception of employees of amalgamating banks, towards the cultural integration process.
4) To make recommendations towards a smooth and effective cultural integration process for public sector banks undergoing amalgamations.

5. RESEARCH METHODOLOGY

5.1 Research Design:

The amalgamation of public sector banks (by merging two or more smaller banks into one) seems to be have been done on basis on parameters such as common technology, geographical spread and reach, quantum of manpower, size of balance sheet etc. Culturally these entities may have many differences except being in the public sector banks' framework. Some of these amalgamated entities between 2017 and 2021 would be the studied as per the availability and access to details.

For the conduct of study, a Descriptive Research Design would be used, as we would be undertaking a cross-sectional study of the actions and steps taken by the managements of selected amalgamating public sector bank with respect to bringing about processes, policies, technology and human resources on a common platform. The over-arching philosophy of integration of cultures across the organisation will form the basis of the enquiry/questionnaire. The impact of the actions would also be studied by interviewing the Top Management of each these banks.

5.2 Sampling Frame:

The sampling frame for this study would be staff members and persons in top management of the amalgamated public sector banks, as announced by the Government of India between 2017 and 2021.

5.3 Method of Data Collection:

The data would be collected through semi-structured questionnaires along with personal interviews.

5.4 Sampling Units and Criterion of Selection

The sample would consist of staff members and top management personnel from the public sector banks that have gone through the amalgamation process, as announced by the Government of India between 2017 to 2021.

The inclusion criterion for the sampling units would be those members who were working in the merging banks (prior to amalgamation) and have continued to work in the amalgamated organisation - thus they would have experienced the changes and integration process brought

about by the amalgamation. The top management would include those personnel who were part of the merging banks (prior to amalgamation) and continued to be part of the amalgamated organisation – thus they were actively involved in shaping the entire amalgamation process and deciding on the direction, steps and pace of the integration. Differentiation of staff in terms of their posting in Head Office/ Controlling Office and field offices will be maintained, as the perceptions may differ.

The sample will include employees of Public sector Banks in different designation/ grade. The hierarchy common across all public sector Banks is presented in the table below along with sample size intended from each group.

Table 1

Designation	Grade	Scale	Sampling Unit	Sample Size
Managing Director & CEO	Whole time Director. Appointed by Govt. of India		Top Management	6 from each Bank
Executive Director				
Chief General Manager	TEG (Top Executive Grade)	VIII		
General Manager		VII		
Dy. General Manager		VI		
Astt. General Manager	SMG (Senior Management Grade)	V	Senior Management	50 from each Bank
Chief Manager		IV		
Senior Manager	MMG (Middle Management Grade)	III	Officer cadre	
Manager		II		
Officer	JMG (Junior Management Grade)	I		

Source: Self

Minimum two such amalgamated Banks and their merged erstwhile banks i.e., 5 individual banks would be studied. The Sample size would consist of 30 from the Top Management and 250 from the staff members.

5.5 Analysis of Data:

The data would be analysed through combination of parametric and non-parametric test as per requirements of the study.

6. PROPOSED OUTCOME OF THE STUDY

Banks provide an important support structure towards economic development of a nation through financial intermediation and related activities enabling benefits to both the depositors and the borrowers. The financial prowess of a banking institution to provide large quantum of loans and also loans to a wider group of individuals, is dependent on its size of balance sheet and widespread geographical reach. It is in this context that amalgamation of Public Sector Banks was undertaken by the government, reducing them from 27 banks to currently 12, for creating large size banks for the Indian financial system.

The study would describe the steps taken (integration of policies, processes, technology, human resources etc) by the managements of various amalgamating banks for ensuring a smooth merger process and building competitive institutions. The commonalities and differences of approach would be studied along with the stages of cultural integration reached by these banks. The determinants of the gaps observed in cultural integration would form the basis for recommendations towards developing a common standardised approach by policy makers, in future amalgamations of banks.

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